



Deval Patrick
Governor



Tim Murray
Lt. Governor



Daniel O'Connell
Secretary

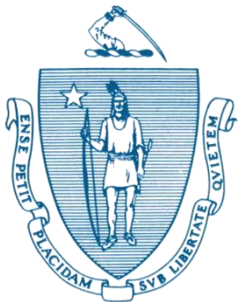
THE COMMONWEALTH OF MASSACHUSETTS

Executive Office of Housing & Economic Development



Executive Office of Housing & Economic Development

Report card for
April-June 2008



Daniel O'Connell
SECRETARY



Table of Contents

E.O.H.E.D QUARTERLY HIGHLIGHT

4

Report Card By Division

PERMITTING

11

BUSINESS DEVELOPMENT

16

Business Development Domestic Operations (p.17)

Business Development International Operations (p.20)

Business Development Small Business Operations (p.25)

Business Development Travel and Tourism Operations (p.30)

HOUSING AND COMMUNITY DEVELOPMENT

33

Community Assistance (p.34)

Homelessness (p.38)

Housing Development (p.45)

Public Housing and Rental Assistance (p.49)

CONSUMER AFFAIRS AND BUSINESS REGULATIONS

56

Division of Insurance (p.57)

Division of Banks (p.59)

Division of Standards (p.62)

Division of Professional Licensure (p.63)

State Racing Commission (p.64)

Department of Telecommunications and Cable (p.65)

Consumer Hotline Services (p.66)

OCA Consumer Dispute Resolution Services (p.67)

Outreach and Education (p.69)



Executive Office
of Housing
&
Economic
Development

E.O.H.E.D

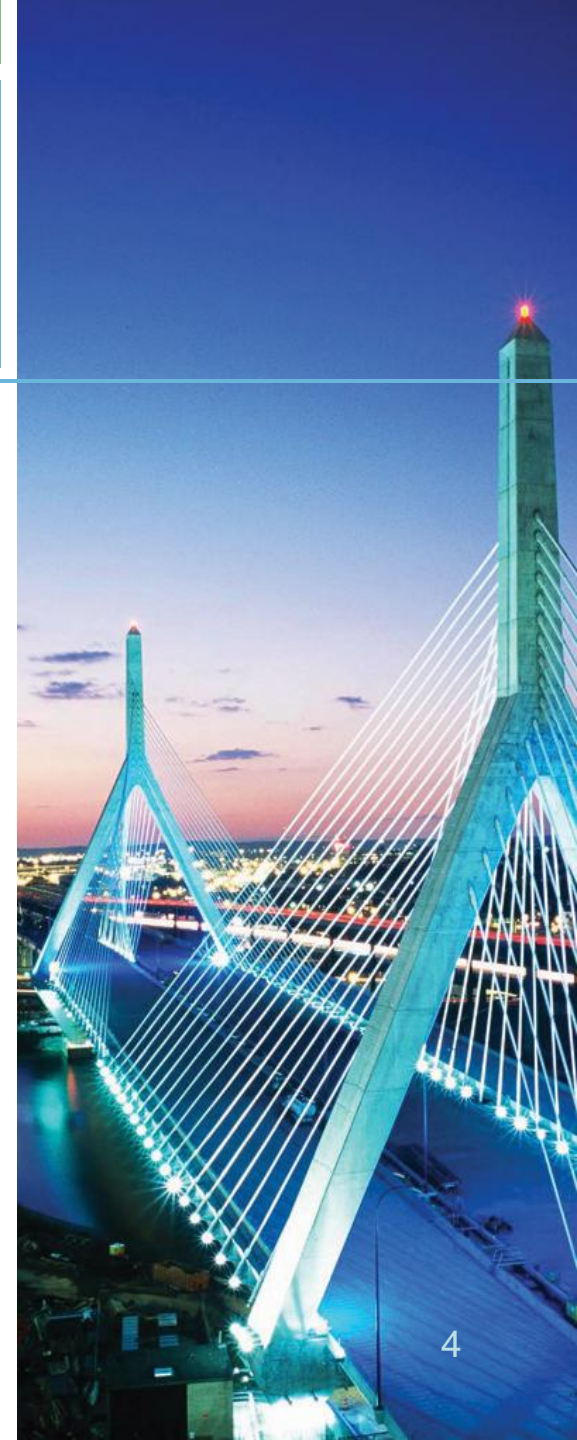
QUARTERLY HIGHLIGHTS

Employment Highlights

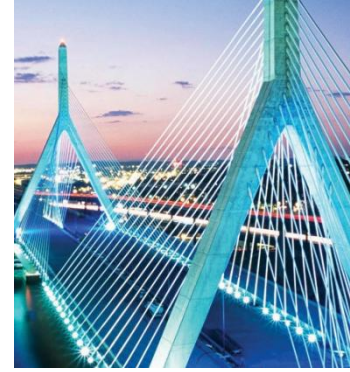
The Massachusetts unemployment rate in June 2008 was below the national average for the thirteenth consecutive month. The unemployment rate rose to 5.2 percent in June, with the national rate at 5.5 percent. The rise in the unemployment rate is primarily due to new entrants into the labor market.

Massachusetts has added jobs for eight out of the last nine months. In the first six months of the 2008, Massachusetts added 7,300 jobs while the nation lost 438,000 jobs.

Job gains were particularly notable in Healthcare and Educational Services, Professional Scientific and Business Services, and Leisure and Hospitality. Overall, Massachusetts added 1,900 new jobs in May and 2,900 jobs in June of 2008.



E.O.H.E.D QUARTERLY HIGHLIGHTS



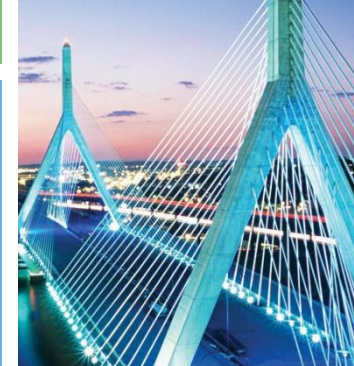
The Life Sciences Initiative

On June 16, Governor Patrick signed the \$1 billion Life Sciences Initiative that will strengthen and extend the Commonwealth's lead in stem cell research, biomedical device manufacturing, and pharmaceutical development. Massachusetts will become the international hub of healing with the state helping to multiply our strength in academic medical research, private industry and non-profits. The 10-year \$1 billion investment package is the result of a year-long collaboration between the Governor, the Legislature, academia, life sciences industry leaders and patient advocacy groups.

Aimed at capturing the best life sciences talent worldwide, the package includes:

- \$500m in Capital Funding to be spent over a 10 year period; \$299.5m for targeted infrastructure projects and the balance - \$200m in unrestricted funds for investment in public infrastructure projects, at the discretion of the MA Life Sciences Center (MLSC).
- \$25m each year for 10 years for the MA Life Sciences Investment Fund, held at the MLSC, for loans, grants, fellowships, and investments to stimulate increased research and development in the life sciences sector.
- \$25m each year for 10 years in tax incentives to be awarded to certified life sciences projects.

E.O.H.E.D QUARTERLY HIGHLIGHTS



The Life Sciences Initiative (continued)

In addition to significant, targeted investments, the law also:

- Creates the MLSC Life Sciences Investment Program to expand employment in the life sciences cluster in MA and to promote health-related innovations by supporting research and development, manufacturing and commercialization in life sciences.
- Creates 5 Regional Technology and Innovation Centers to be identified from among existing life science regional centers.

The Massachusetts Life Sciences Center announced the appointment of its new President and CEO, the accomplished Dr. Susan Windham-Bannister. The MLSC also convened its thirteen member Scientific Advisory Board, Chaired by Dr. Harvey F. Lodish of the Whitehead Institute and Professor of Biology and Bioengineering at MIT. The Board's charge is to provide technical guidance and oversight around the Center's funding and programmatic decisions.

In June 2008, Governor Patrick led a delegation that included Senate President Murray and Speaker DiMasi to the International BIO Convention in San Diego, California. The convention was an ideal location for the Commonwealth to launch its outreach efforts to recruit new life sciences companies to Massachusetts.

E.O.H.E.D QUARTERLY HIGHLIGHTS



Foreclosure Initiatives

Workshops

A series of foreclosure prevention workshops hosted by the Patrick administration and local governmental officials was initiated this quarter. These regional workshops were designed to connect homeowners directly with their lenders to achieve solutions that keep people in their homes and help to stabilize neighborhoods. Several national lenders met with homeowners to discuss loan modifications and other workout options. Approximately 250 homeowners attended the event held in Brockton and about 110 attended the Springfield event. Future workshops include Worcester and Lawrence and we expect a strong turnout in those cities.

Grant Awards

The Patrick administration awarded grants totaling \$2 million to support 11 regional foreclosure education centers, statewide foreclosure prevention efforts and first-time homebuyer programs. The grants are funded through licensing fees collected from loan originators, a new requirement stemming from legislation the Governor initiated and signed in November.

The \$1.5 million in funding for 11 foreclosure education centers will cover regional areas across the Commonwealth and target communities hardest hit by the foreclosure crisis. An additional \$500,000 in grants will be used for foreclosure prevention and first-time homebuyer counseling and loan programs.

The Division of Banks, an agency within the Office of Consumer Affairs, and the Department of Housing and Community Development oversaw the competitive grant process.

E.O.H.E.D QUARTERLY HIGHLIGHTS



Foreclosure Initiatives (continued)

Database

Chapter 206 of the Acts of 2007, “An Act Protecting and Preserving Home Ownership” now requires lenders to file foreclosure notices with the Division of Banks, which will enable the Division to better track foreclosures and the lenders and brokers whose loans tend to lead to foreclosure. The Division will also retain contact information for those responsible for maintaining vacant foreclosed properties. This information will be shared with municipalities so that responsible parties may be held accountable and properties maintained.

Neighborhood Stabilization Program

On July 1, 2008, Governor Patrick launched a unique state-sponsored, low-interest loan fund for developers to buy abandoned and at-risk properties, and get them quickly reoccupied with new homeowners or renters. The fund, consisting of \$17 million from private lenders and another \$3 million from private non-profit foundations, is available to non-profit and for-profit developers, and targets communities with a high concentration of vacant properties including Boston, Brockton, Chelsea, Lawrence, New Bedford, Springfield and Worcester. Bank-funded loan resources within the Massachusetts Housing Investment Corp (MHIC) and the quasi-public Massachusetts Housing Partnership (MHP) will contribute \$17 million to the program.

E.O.H.E.D QUARTERLY HIGHLIGHTS



Growth District Initiative

In April, Governor Patrick instructed his economic development team to identify locations around the state that are primed for significant commercial residential or mixed-use development. So far the state has identified 10 Growth Districts in Worcester, Chicopee, Haverhill, Weymouth, Attleboro, New Bedford, Pittsfield, Revere, Springfield and Devens. These communities will receive state funds and planning assistance that will further economic growth.

MORE Jobs Grants

Governor Patrick directed the Executive Office of Housing and Economic Development to award \$20 million in Massachusetts Opportunity Relocation and Expansion Grants in ways that have immediate payoff in construction jobs and private investment. Within 90 days of the Governor's announcement, EOHED has awarded \$24.3 million in grants to 20 communities, which should produce over 3,200 jobs throughout the state.

Housing Bond Bill

On May 29, 2008, Governor Deval Patrick signed into law a \$1.275 billion bond authorization – the state's largest investment ever in housing and community development projects throughout the Commonwealth. The legislation will also address the backlog of deferred capital maintenance in our public housing stock, with a priority on projects that protect the health and safety of residents and address structural deficiencies, expand private housing opportunities for seniors and working families, and promote community and economic development.

E.O.H.E.D QUARTERLY HIGHLIGHTS



Creative Economy Spotlight

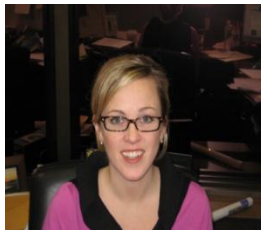
Under Governor Patrick, the Commonwealth has launched a Creative Economy Initiative and appointed a Creative Economy Industry Director in the Massachusetts Office of Business Development to work one-on-one with businesses and artists. June 2008 was designated by EOHEd as Creative Economy Month, with roundtables and events held statewide acknowledging the importance of creative businesses to the Massachusetts economy and supporting the development of a collaborative, public-private strategy to grow the creative economy in the Commonwealth.

China Trade Mission Results

In June 2008, the Ministry of Commerce of the Peoples Republic of China organized a trade mission to the Commonwealth of their China Investment and Promotion Agency. Delegates from China included high ranking Chinese officials, senior venture capitalists and leaders in the areas of education, life science, manufacturing, travel and tourism and technology. Common goals and collaboration were discussed. The visit was highlighted by a symposium with hundreds of Massachusetts business leaders at the University of Massachusetts, Boston. At the symposium, Governor Patrick signed a Memorandum of Understanding with Chinese officials that reinforced the strong relationship between the Commonwealth and China forged during last year's trade mission.

PERMITTING

April Anderson Lamoureux, Ombudsman



1 Ashburton Place, Suite 2101
Boston, MA 02108
617-788-3670
april.a.anderson@state.ma.us

The Massachusetts Permit Regulatory Office, created by the legislature, works with new and existing businesses to help foster job creation efforts by assisting with permitting, licensing, and regulatory processes. The Director of the Office serves as the state permit ombudsman to municipalities and businesses, and Chair of the Interagency Permitting Board, which administers the Chapter 43D Expedited Permitting Program. The Office works in partnership with MassDevelopment, Regional Planning Agencies, and the Massachusetts Alliance for Economic Development to accomplish its core mission.

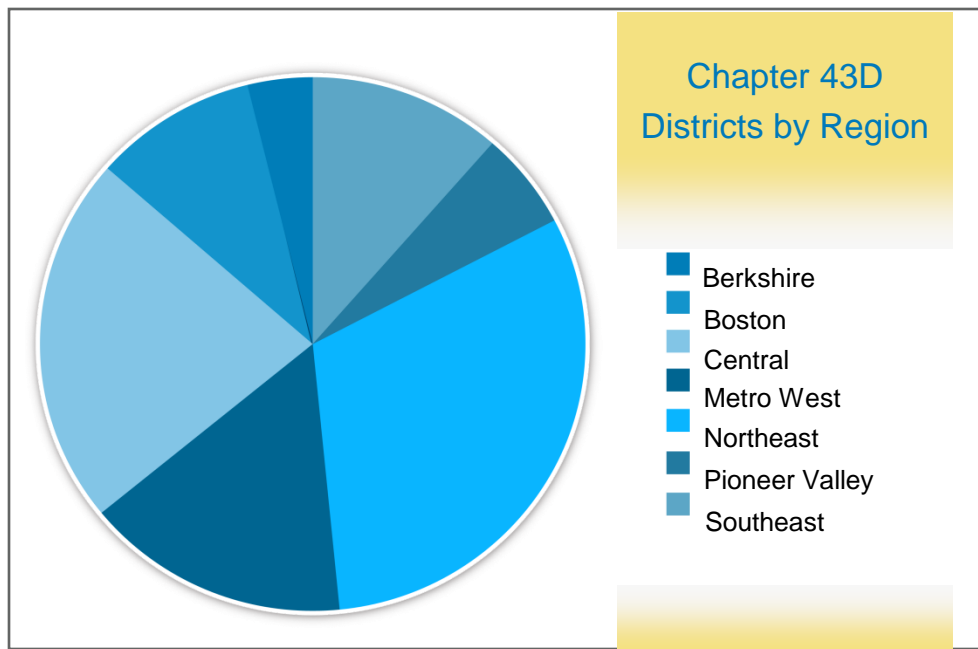


Massachusetts Permit Regulatory Office



Expedited Permitting Program - Chapter 43D As of June 30, 2008

- 44 communities across the state have adopted one or more Priority Development Sites
 - 14 new communities added this quarter
- 69 Priority Development Sites have been ratified by the Interagency Permitting Board
 - 25 new Priority Development Sites added this quarter
- In FY08, \$3,249,687 in Chapter 43D Technical Assistance Funds have been granted to municipalities



Massachusetts Permit Regulatory Office



State Permit Tracking

- MPRO instituted a state permit tracking system for commercial and housing projects entering the MEPA process (Massachusetts Environmental Policy Act), and results are published on the state web site. This is the first time that the Commonwealth has systematically monitored and publicly reported its permit issuance performance.
- The project tracking list consists of projects that filed an Environmental Notification Form (ENF) with MEPA beginning January 1, 2007. The list includes all commercial, industrial, and mixed-use development projects, and housing projects developing more than 50 new units and with a density of at least 4 units per acre.
- The project tracking list has 102 projects meeting the above criteria. As of June 30, 2008, 46% of projects have completed state permitting within six months or less.

Massachusetts Permit Regulatory Office



Key Points of Note this Quarter

Growth Districts: The Governor visited communities to announce the majority of designated growth districts as part of our Growth Districts Initiative (GDI). In total, sixteen locations representing all regions across the state will be announced as part of the first round of initiative.

EOHED will partner with municipalities that have identified one or more areas within their communities as being appropriate locations for significant new growth, whether commercial, residential or mixed-use. Within those identified “growth districts”, EOHED will work with the community and property owners to make the district truly “development ready” with respect to local permitting, state permitting, site preparation (including brownfields remediation), infrastructure improvements, and marketing.

The Growth Districts announced and their designation date:



1. Innovation Square at WPI in Worcester, February 26, 2008
2. Devens, February 26, 2008
3. Chicopee River Business Park, April 12, 2008
4. Downtown Haverhill, April 16, 2008
5. SouthField in Weymouth, April 24, 2008
6. Attleboro Industrial & Business Park, May 8, 2008
7. Hicks Logan Sawyer District in New Bedford, May 8, 2008
8. Pittsfield Urban Center, May 16, 2008
9. Waterfront Square at Revere Beach, May 20, 2008
10. Springfield Downtown Revitalization, July 7, 2008

Massachusetts Permit Regulatory Office



Key Points of Note this Quarter

Zoning Reform: MPRO has convened a Zoning Reform Task Force to examine the current zoning and planning system in the State and to work with the Legislature to develop amendments that would improve zoning and planning in Massachusetts.

- The Task Force represents a broad base of constituencies and meets twice-monthly.
- Ten regional meetings were hosted across the State to engage municipalities and local interest groups in the discussion.
- The objective of the Task Force is to file zoning reform legislation in December 2008 that represents consensus among the various stakeholders.

Regional Planning: MPRO has begun to pilot a regional planning process of working with multiple neighboring municipalities on shared objectives.

- Coordinating among five communities along the newly expanded Route 3 (Burlington, Bedford, Billerica, Chelmsford, and Lowell) to investigate regional infrastructure shortfalls, desired growth patterns, and branding of a new technology corridor.
- Coordinating with the Cities of Leominster, Fitchburg and Gardner, and the surrounding communities in addressing the opportunities and challenges of maintaining a robust manufacturing sector in this region.

DEPARTMENT OF BUSINESS DEVELOPMENT



1 Ashburton Place, Suite 2101
Boston, MA 02108
617-788-3670
greg.bialecki@state.ma.us

Greg Bialecki, Undersecretary

The mission of the Massachusetts Department of Business Development (DBD) is to promote economic growth by assisting in-state, out-of-state, and international businesses of all sizes in creating new jobs and expanding their presence in Massachusetts; to make it easier for minority and women owned businesses to succeed, and to increase the number of domestic and international tourists visiting the Commonwealth.



Business Development - Domestic Operations



The Massachusetts Business Resource Team (BRT), which is coordinated by MOBD, acts as a single point of contact for all of the resources and incentives available to businesses. Through the BRT, firms can engage over 25 state and quasi-public organizations offering:

- Site selection assistance
- Workforce training grants
- Tax incentives and financing options

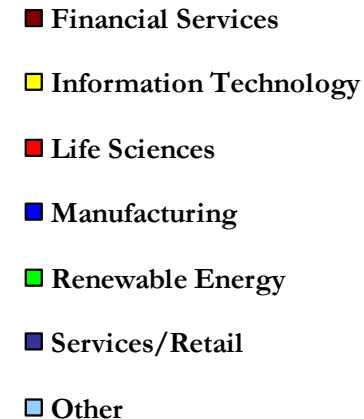
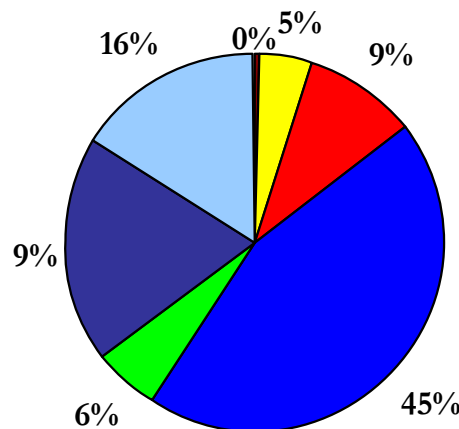
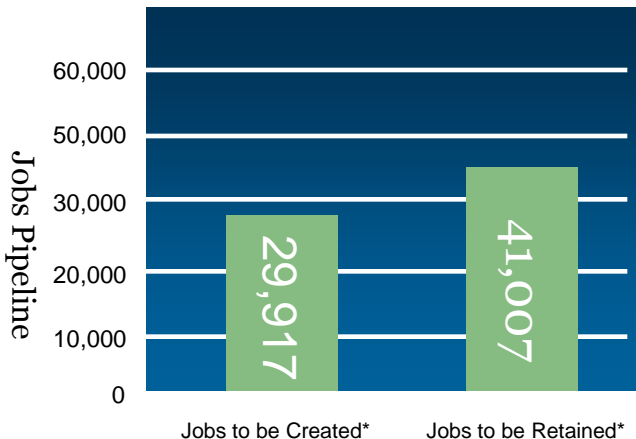
Business Development - Domestic Operations



Closed Deals

	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-March	FY08 Q4 April-June
Jobs to be Created*	457	2,495	1,666	4,360
Jobs to be Retained*	3,849	7,747	2,046	12,925
Private Investment*	\$69,228,000	\$823,631,168	\$162,066,000	\$917,126,447
Total Project Wins	17	41	32	70
MOBD Sales Force Economic Multiplier**	134:1	945:1	213:1	983:1

Jobs Pipeline Sector Breakdown (70,924 Jobs)



*As estimated by firms

**Economic Multiplier based upon expenditures of \$619,765 (FY08 Q1), \$864,214 (FY08 Q2), \$733,921 (FY08 Q3), and \$932,369 (FY08 Q4).
Formula=(benefits-costs)/costs

Business Development - Domestic Operations



Key Points of Note this Quarter

- **Town of Framingham and Genzyme** – A \$250,000 MORE Jobs grant was provided to the Town of Framingham for infrastructure work that will allow Genzyme to expand; Genzyme is a biotechnology company that develops and applies advanced technologies in the life sciences to address a range of unmet medical needs; 300 jobs will be created along with retaining 2,000 jobs and \$260 million in private investment.
- **Meditech** – 35+ years of experience as a leader and innovator in the health care information systems software industry; we assisted the company with their expansion efforts that will lead to the creation of 600 jobs and \$20 million in private investment.
- **Adobe Systems** – One of the world's largest and most diversified software companies; we assisted the company with selecting a site to allow for expansion, at which they will create 100 jobs and have a private investment of \$44.7 million.

Business Development - International Operations



The Massachusetts Office of International Trade and Investment (MOITI) is charged with marketing the state's businesses internationally, through focused export promotion, attracting foreign companies to invest in Massachusetts and handling protocol as it relates to trade and investment. MOITI has continued to attract foreign direct investment (FDI) and has increased its tradeshow presence, which has allowed for more local firms to expand their global exposure.

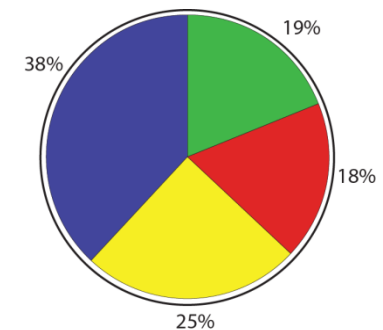
Business Development - International Operations



(>50% Probability)
Jobs Pipeline

	Jobs to be Created*	FDI to Occur*	# of projects
Europe	143	\$24.2 million	12
Asia	232	\$46.25 million	11
Americas	68	\$2.5 million	3

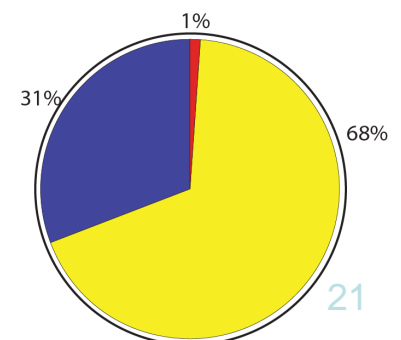
**Pipeline Jobs:
Sector Breakdown (443 Jobs)**



Closed Deals

	FY08 Q3 Jan-Mar	FY08 Q4 Apr-June	FY08 Total
Jobs to be created*	40	180	497
Private Investment*	\$5 million	\$21.5 million	\$75.25 million
Total Project Wins	3	3	14
Economic Multiplier**	38:1	168:1	146:1

**Closed Deals Jobs:
Sector Breakdown (497 Jobs)**



*As estimated by firms

** Economic Multiplier based upon expenditures of \$127,158 for each quarter. Formula=(benefits-costs)/costs

Business Development - International Operations



Tradeshow Results from Massachusetts Pavilions			
	FY08 Q3 Jan-Mar	FY08 Q4 Apr-June	FY08 Total
Number of MA Companies Participating in MA Pavilion	4	10	40
Projected Revenue of MA Companies as a Direct Result of Pavilion*	\$1.03 million	\$9.5 million	\$20.48 million

*As estimated by firms

Business Development - International Operations



Key Points of Note this Quarter

Andorra: The latest MOITI in-bound investment win is Soadco, an Andorran medical device company specializing in dental implants. Soadco's US Headquarters will be located in Boston creating 140 jobs in both manufacturing and R&D and capital investments of more than \$20m. Gov. Patrick announced this win for MA at the BIO Convention in San Diego. The story was reported by the AP and subsequently received broad media coverage including Business Week, Forbes, CNBC and local outlets such as the BBJ, Boston Globe and Boston Herald.

France: A Memorandum of Understanding between Massachusetts (represented by the Massachusetts Technology Transfer Center and the Massachusetts Office of International Trade and Investment) and the Life Science Corridor in France was signed at the Massachusetts Pavilion at BIO 2008. The goal of the MOU is to spur collaboration and partnerships between the two regions.

China: A high level delegation from China's Ministry of Commerce visited Boston in June to discuss mutual investment collaborations. A Memorandum of Understanding between the Massachusetts Office of International Trade and Investment and the China Investment Promotion Agency (CIPA) was signed in the presence of Governor Patrick and Secretary O'Connell. The goal for the agreement is to enhance 2-way cooperation and investment.

Business Development - International Operations



Key Points of Note this Quarter (cont.)

BIO Breakfast: MOITI hosted an invitation-only breakfast presentation during BIO08 in San Diego specifically targeting international Bio executives. The event was attended by more than 230 company representatives from 22 countries and featured speeches by Gov. Patrick, Senate President Murray and Speaker of the House DiMasi as well as a panel of industry and policy experts.

Nanotech/Clean Tech 2008: MOITI hosted an evening panel of experts and reception for more than 150 international attendees from 26 countries who were in Boston for the largest Nanotech/Clean Tech Conference ever held.

Energy Trade Show Hannover, Germany: companies exhibiting in the MOITI pavilion reported record expected sales of \$7.5M. MTC supported their participation via a grant.

Lombardy Clinical Trials project: Four Massachusetts companies participating in a multi-year project to establish a clinical trial infrastructure in Lombardy (coordinated by MOITI under an agreement between Lombardy and MA) have progressed to Phase 2 of the project. The companies – which will receive payments from the Lombardy Government - also created the 'Clinical Research Consortium of Massachusetts' and are actively discussing similar projects with other countries around the world such as Chile & Brazil.

Business Development - Small Business Operations



The Office of Small Business and Entrepreneurship (OSBE) administers the Small Business Technical Assistance Grant (SBTAG) Program to provide grants to community development corporations, community development financial institutions and non-profit community-based organizations in order to provide technical assistance or training programs to businesses with 20 employees or fewer.

In partnership with the U.S. Small Business Administration, the Department of Business Development, and a consortium of higher educational institutions led by the University of Massachusetts Amherst, the Massachusetts Small Business Development Center (SBDC) provides statewide in-depth advising, training and capital access contributing to the entrepreneurial growth of small businesses throughout the Commonwealth.

The State Office of Minority and Women Business Assistance (SOMWBA) is charged with promoting the development of business enterprises and non-profit organizations owned or operated by minorities and women.

Business Development - Small Business Operations



State Office of Minority & Women Business Assistance

	FY08 Q1 Jul-Sep	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-Jun
New State Certifications	56	46	35	69
New Federal Certifications	14	13	14	28
Total Renewals Processed	425	297	396	423
% of Certifications Completed Within 30 Days	62.1%	44.6%	52.1%	38.4%

Business Development - Small Business Operations



Small Business Technical Assistance Grant Program

	FY08 Q2 Oct-Dec	FY08 Q3 Jan-March	FY08 Q4 April-June
# of Companies 1:1 counseled*	1,255	484	405
\$ Amt Loans Secured*	\$4.3 million	\$1.4 million	\$5.56 million
Jobs to be Created w/ loans*	89	62	216
Jobs to be Retained w/ loans*	184	90	2,443
\$ Amt of State Grants Awarded	\$465,713	N/A	N/A
ROI – Grant Award vs. Loans Secured	9.2:1	N/A	N/A

*Self-reported by grant recipients

**There were no grants awarded in FY08 Q3 or Q4

Business Development - Small Business Operations



Massachusetts Small Business Development Center Network

Small Business Development Centers (6 Centers + 41 Outreach Sites)	FY08 Q3 Jan-March	FY08 Q4 April-May*	FY08 Total
# of Companies 1:1 Counseled	1,095	528	3,529
New Businesses Started	39	30	187
\$ Amt Loans Secured	\$12.2 million	\$14.6 million	\$60.5 million
Jobs to be Created w/loans	140	130	482
Jobs to be Retained w/loans	25	36	444
State Appropriation	\$237,408.45	\$311,445.29	\$771,110.96**
ROI - \$ Loans Secured vs. \$ Appropriated	51.4:1	46.9:1	78.5:1

*Because of federal reporting deadlines, MSBDC figures through June 2008 are not yet complete. Loans and job creation and retention figures are certified by Companies. Figures reflect activity through 5/31/08.

**This figure represents actual expenditures through 5/31/2008.

Business Development - Small Business Operations and Minority & Woman Owned Enterprises



Key Points of Note this Quarter

- The Small Business Technical Assistance Grant Program numbers are best explained by looking at the dollar amount of grants awarded. With a smaller appropriation than last year, we were unable to fully fund all grantees, but disbursed monies on a formulaic basis to allow for more TA organizations to participate and therefore hope to reach more companies through 1:1 counseling and help with access to loans. We will watch these figures carefully, as we continue the program and hope to track measurable success and best practices with this program.
- SOMWBA continues to align public and private sector partners to increase the economic value of certification. Although certification is the primary function of the Agency, it has successfully developed partnerships with private sector firms to advance business opportunities for minority and women-owned businesses. The intake of new business continued to remain at target levels as the Agency's efforts are focused on targeting specific businesses to fill industry and geographical gaps.

Business Development - Travel & Tourism Operations



The Massachusetts Office of Travel and Tourism (MOTT) is charged with promoting the Commonwealth's friendly, family-oriented environment set in the midst of a rich historical and cultural tradition. Tourism ranks as one of our largest economic sectors, contributing annual direct spending of \$14.2 billion and supporting over 125,800 jobs (2006 data).

In recent years, MOTT's available funds for advertising, provided by the Legislature, have been steadily increasing, as have the returns on those advertising dollars. With its continued increase in funding, we expect MOTT's advertising expenditures to assist in expanding the tourism industry throughout the Commonwealth.

Business Development - Travel & Tourism Operations



Through May 2008	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-March	FY08 Q4 April-May*
Room Tax Collections	\$54.7 million	\$51.6 million	\$26.9 million	\$25.1
Lodging Room Revenue	\$779 million	\$599 million	\$413 million	\$443 million
Room Demand (booked)	5.4 million	4.1 million	3.3 million	3.1 million
Average Room Rate (\$\$)	\$145	\$141	\$125	\$144
REVPAR (\$\$)	\$108	\$ 86	\$ 63	\$94
Occupancy Rate	74.8%	59.8%	50.0%	64.8%
Massvacation.com visitors	179,404	129,357	178,097	237,098

REVPAR (Hotel Revenue per Available Room) and Average Room Rate are not directly impacted by government, but provide useful guidance for the health of the industry.

*June results not yet available.

Business Development - Travel & Tourism Operations



Key Points of Note this Quarter

MOTT's metrics reflect the seasonality of tourism. However, overall numbers are up significantly. Some highlights from FY08 through May, 2008 compared to same period in prior fiscal year:

- Room Tax Collections up 11.4%
- Room Revenue up 10.1%
- Room Demand up 4.1%
- Room Rate up 5.8%
- Occupancy Rate up 2.8%
- RevPar up 8.6%

MOTT recently received the CY2006 Economic Impact report which showed that total direct spending by travelers to MA increased by 8.6% to \$14.2 billion. A traveler is one who travels 50 or more miles one way to a destination or who stays overnight.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT



Tina Brooks, Undersecretary

100 Cambridge St.
Suite 300
Boston, MA 02114
617-573-1100
tina.brooks@state.ma.us

The mission of DHCD is to strengthen cities, towns and neighborhoods to enhance the quality of life of Massachusetts residents. To accomplish our mission, we will provide leadership, professional assistance and financial resources to promote safe, decent and affordable housing opportunities, the economic vitality of communities and sound municipal management. We will forge partnerships with regional and local governments, public agencies, community-based organizations and the business community to achieve our common goals and objectives. In all of these efforts, we will recognize and respect the diverse needs, circumstances and characteristics of individuals and communities.



Community Assistance



The Community Assistance Unit was created to renew and strengthen the Patrick Administration's partnership with municipalities by providing a wide range of technical assistance and training to communities in the areas of municipal governance, planning, land use and zoning, and community development.

This assistance will result in an increase in the Commonwealth's affordable housing stock, the adoption of smart growth initiatives, and downtown and city/town center revitalization.

Technical assistance and training includes one-on-one staff assistance, professional and peer consultants, written materials, desktop assistance, and formal presentations (e.g., PowerPoint).

Workshops include topics such as 40B and planning for affordable housing; land use and zoning (in conjunction with the Citizen Planners Training Collaborative); and the economics of downtowns, recruitment and retention of businesses, design, promotion and marketing, parking, and Business Improvement Districts (through DHCD's Massachusetts Downtown Initiative).

Community Assistance



Community Assistance by the Numbers

Description	FY 08 Q1 July-Sep	FY 08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-June	FY08 July- June
Number of Communities Provided Training and Assistance	188	210	203	169	770
Number of Workshops Held	3	11	3	6	23
Number of Communities that have increased their affordable housing stock (as measured by the Subsidized Housing Inventory)	17	5	26	18	66
Number of Communities with approved Housing Production Plans	2	2	2	0	6
Number of Communities awarded Priority Development Fund grants	5	2	1	0	8

Community Assistance



Smart Growth/40R Related Projects by the Numbers

Description	FY08 Q1 July- Sept	FY08 Q2 Oct- Dec	FY08 Q3 Jan- Mar	FY08 Q4 Apr- June	FY08 July- June
Number of Communities that have locally adopted 40R Districts	0	4	1	4	9
Number of Communities with proposed 40R Districts	2	3	5	0	10
Number of new housing units authorized in 40R Districts	225	1,058	578	1,607	3,468
Number of housing units issued building permits	0	0	305	0	305

DHCD only receives building permit information in conjunction with requests for bonus payments or as part of annual 40R reporting requirements. As such, depending on the time of year, building permit information provided in this report may not fully reflect all 40R permits that have been issued.

Community Assistance



Key Points of Note this Quarter

- The CAU undertook a variety of training and information programs during this quarter. A major focus of activity was training on the new 40B regulations, including Housing Production Plans, adopted in February. Programs reached a broad audience, local elected and appointed officials, ZBA and Planning Board members, housing advocates, and developers. The CAU worked with CHAPA, Massachusetts Housing Partnership, and regional planning agencies on these presentations. In addition, the CAU presented to municipal leaders and residents of the Town of Brookfield. The Massachusetts Downtown Initiative (MDI) held its Spring 2008 workshops series, including sessions on the Economics of Downtown (economic principles, housing in the downtown, the creative economy, and adoption of Business Improvement Districts); Design/Branding/Way-Finding; and Parking Management. DHCD also served as co-sponsor of the Lincoln Land Institute's day-long conference on "Eds, Meds, and Municipalities." MDI assisted in the organization of this conference, and Undersecretary Brooks was a keynote speaker. A workshop on "Organizing for Community Development" was held for communities in Worcester County. This well-attended event was co-sponsored by the Central Massachusetts Regional Planning Commission, Montachusett Regional Planning Commission, the Massachusetts Office of Business Development, and MassDevelopment.
- Additionally, staff presented at the American Planning Association's Annual Conference, the U.S. Department of Housing and Urban Development Region I Community Development Future Leaders Program, and the Massachusetts Association of Planning Directors. A 40R online seminar was also created and posted as part of the Enterprise Foundation and Urban Land Institute co-sponsored series on equitable development.
- 1,607 new housing units were authorized in 40R districts bringing the calendar year total to 2,185 units.
- The Massachusetts Downtown Initiative Technical Assistance Site Visit Program provided consultant grants totaling \$49,000 to the following communities:
Amherst (Business Improvement District), Burlington (community way-finding system), Georgetown (market analysis), Ipswich (creative economy), Montague (housing), Orange (design), and Pepperell (market analysis).

Homelessness



The Commonwealth's approach to reducing homelessness is designed as a continuum of services provided through a partnership of DHCD and the Executive Office of Health and Human Services (EOHHS). DHCD works to ensure that a network of services leading to greater self-sufficiency and continuum of housing opportunities are in place for those presently homeless or at risk for becoming homeless.

Strategies focus on the key stages in the cycle of homelessness:

- early intervention programs help to prevent households from becoming homeless
- improved coordination across services enhances enrollment into benefit programs for homeless people
- permanent supportive housing improves the care and quality of life for the chronic homeless, many of whom are unable to live independently without significant assistance

EOHHS is primarily responsible for the emergency shelter and transitional housing for homeless persons and families and for providing housing search services, while DHCD aims to provide these persons and families with permanent, affordable housing options – whether it be public housing, rental assistance or homeownership.

Undersecretary Brooks co-chaired of a special commission in 2007 convened for the purpose of devising a statewide strategy to end homelessness in the Commonwealth. The commission coordinated state agencies with the goal of improving the current systems of shelter and support for homeless families and individuals and implementing a coordinated and consolidated plan for permanent solutions to homelessness involving not just housing, but economic development and job creation as well. The Commission's work has now been passed on to the Interagency Council on Housing and Homelessness, chaired by Lieutenant Governor Murray, which is working to coordinate all government agencies in our effort to end homelessness.

Homelessness



Number of Families/Individuals in Asset Building Programs

Description	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-June	FY08 to date
Family Self Sufficiency (FSS)	n/a	n/a	n/a	n/a	601 ¹
Individual Development Account (IDA): total number enrolled ²	0	89	315	270	674
IDA: number enrolled that currently reside in state subsidized housing ²	0	32	74	42	148

¹ This is a “point in time” number that does not change much month to month, so a quarterly number is not applicable.

² The data reflects total enrollment as for both the FY07 and FY08 programs.

Homelessness



Success of Families and Individuals in Asset-Building Programs: Homeownership and Asset Growth

Description	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-June	FY08 to date
Families/Individuals in FSS Program that purchase first home	1 ¹	0	3	1	5
Average Escrow Payout for FSS graduates	n/a	n/a	\$9,005	\$13,143	\$11,322 ²
Families/Individuals in IDA Program that purchase first home	3	0	4	5	12
Families/Individuals in IDA Program that transition from state subsidized housing and purchase first home	2	0	2	2	6

¹ August Home Purchase reported in the fourth quarter.

² Represents a total of \$283,057.03 divided by 25 payments made in FY08 to date

Note: It generally takes some time after enrolling in a program such the IDA program for a participant to purchase a home.

Homelessness



Number of Families/Individuals who received assistance through prevention programs and special initiatives

Description	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-June	FY08 to date
Housing Consumer Education Centers (HCEC)	5,237	2,791	3,811	5,142	16,981
Tenancy Preservation Program (TPP)*	59	88	82	66 ²	295 ²
Residential Assistance for Families in Transition (RAFT)	7 ³	1,140	753	391	2,291
Residential Assistance for Families in Transition (RAFT): Number of Homeless Families Served	0 ³	108	101	51	260
Low Income Home Energy Assistance Program (LIHEAP): Number of households that received assistance	0	51,077	59,857	29,516	140,450 ⁴
Massachusetts Rental Voucher Program (MRVP): Mobile Special Populations	266	402 ⁵	520	528	528
Massachusetts Rental Voucher Program (MRVP): Project Based Special Populations	30	34 ⁵	35	33	33

¹Total for first two quarters was underreported.

²Data only available through May 31, 2008.

³Program opened 9/17/07 – no data available.

⁴The FY08 LIHEAP program began 11/1/07 and ended 5/16/08.

⁵As of 1/1/08.

Homelessness



Number of Families/Individuals who received permanent housing through specialized housing programs initiatives

Description	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-Jun	FY08 Jul-Jun	% of Total Allocation Used, FY08
Local Housing Authority Transitional Housing Program (LHATHP)	18	20	29	23	90	n/a
Housing First Program	1	10	21	2	34	n/a
McKinney Shelter Plus Care (Total Allocation: 255)	38 ¹	n/a	299	316	298	117%
McKinney Homeless SRO (Total Allocation: 172)	n/a	n/a	n/a	n/a	146 ²	85%

¹Shelter Plus Care has a baseline of 255 and can fluctuate at various levels of use above 255.

²This is a "point in time" number that does not experience significant change month to month, so a quarterly number is not appropriate.

Homelessness



Key Points of Note this Quarter

- DHCD has entered the Holyoke and Fitchburg Housing Authorities into a pilot program whereby a tenant selection worker from the LHA goes directly to shelters/DTA offices to intercept new families and provide emergency applications as well as assistance with the application process. This new initiative should significantly reduce the number of incomplete applications submitted and enhance our ability to limit the number of families that enter into extended shelter stays. DHCD has also launched site visits to 10 local housing authorities to review emergency application processing in order to determine opportunities for reducing barriers for homeless families.
- DHCD continues to play a leadership role in the four Regional Housing Solution Teams, who focus on intensive problem-solving on the ground-level around hard-to-house homeless families in shelter. DHCD's staff are playing a key role in partnering with DTA, local housing authorities, social service providers and regional housing agencies to execute a collaborative and creative approach to assuage the crisis in the state's shelter system.
- 22 new transitional housing and housing first units have been established in LHA family developments, all of which are filled with former shelter families.
- DHCD invited all Regional Housing Agencies to partner in making improvements to make RAFT dollars go further and meet true prevention goals. Each regional agency has been asked to develop a region-specific targeted approach to best meet local needs, minimizing the bureaucracy and maximizing actual service provision.

Homelessness



Key Points of Note this Quarter (continued)

- The price of home heating oil continued to climb to record highs throughout the heating season. This year's LIHEAP benefit purchased only one tank of heating oil and supported up to 50% of an average household's heating cost, whereas two years ago the program was able to support up to 80% of a low income household's average heating bill. The combined state and federal allocation in FY08 was \$129,020,748. With the availability of carryover funds, federal contingency and leveraging funds, the program provided a maximum average benefit of \$1,165. Based on level federal funding, the state anticipates a maximum starting benefit of \$503 for LIHEAP clients in FY09. This will purchase approximately one half of a tank of oil at today's prices.
- As reported by utility companies, there was a record high volume of accounts in arrears during the 2007-2008 winter season. The dollar value of arrearage amounts continued to grow in individual accounts and overall. With the end of the moratorium on shutoffs, utilities and advocates anticipate record numbers of terminations. DHCD has been meeting with DOER, DPU, the LIHEAP Advisory Group, Massachusetts Energy Directors Association (MEDA), Massachusetts Oil Heat Council, utility companies, the LIHEAP network and national interest groups to address the growing crisis.
- The Interagency Council on Housing and Homelessness (ICHH), chaired by Lt. Gov. Murray, convened approximately 120 employees across state government on July 1st. The "Convening Retreat" oriented newly appointed members of the ICHH Working Groups on the Report of the Massachusetts Commission to End Homelessness. The ten ICHH working groups are: 1) Housing Supply; 2) Homelessness Prevention Resources; 3) Housing Stabilization and Support Services; 4) Policy and Regulations; 5) Asset Development; 6) Civic Engagement; 7) Uniform Assessment Tool; 8) Data and Evaluation; 9) Finance; and 10) Federal Resources. The working groups will review existing programs and services across departments and present opportunities for cross departmental collaboration and service coordination to the ICHH to further the goal to end homelessness in the Commonwealth by 2013.
- The ICHH is coordinating a statewide rollout for HUD's Veterans Affairs Supportive Housing Program (HUD VASH). Over \$3 million in HUD funding has been awarded to the Boston Housing Authority, the Department of Housing and Community Development, and the Northampton Housing Authority to provide permanent supportive housing for homeless veterans. The local Veterans Affairs Medical Centers will provide case management services. As the program is anticipated to expand the Commonwealth is laying the groundwork for a significant effort to assist a most deserving population.

Housing Development



The Division of Housing Development manages the state resources available to support the production and preservation of privately-owned affordable housing. The key resources are the federal and state Low-Income Housing Tax Credit, tax-exempt bonds, the federal HOME program, and multiple state bond programs in support of rental and ownership projects. The division's resources are substantial. In 2008, the division will oversee the allocation of federal and state credits capable of generating almost \$250 million in equity for affordable rental projects in the capital markets. In addition, the division will oversee the allocation of over \$90 million in subsidy funds available through HOME and the state bond programs in support of affordable rental and ownership projects.

Although the resources are substantial, demand always exceeds the available supply of funds. The division's annual funding competitions – two for rental projects, one for ownership – are always oversubscribed, with demand often exceeding available funds by a factor of 3 to 1. In a given year, the division supports the production or preservation of 2000 to 2500 rental and ownership units in privately-owned projects. Current priorities include greater and greater emphasis on “green” development, on projects located near transit, on projects that provide a significant set-aside of units for homeless families or individuals. The production of workforce housing – housing for families earning between 80% and 120% of area median income – is also a priority. Working directly with the Undersecretary, the division also is promoting employer-assisted housing in key regions of the state, including Cape Cod, the Springfield metropolitan area, and Boston metro.

Housing Development



Housing Development by the Numbers

Description	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-May	FY08 YTD July-May
Number of New Housing Starts, increase in overall housing stock	3,445	3,591	1,967	2,122	11,125

The number of new housing starts is defined as the number of new building permits issued.

This information is only available in the aggregate (i.e. not identified by community) through May 2008.

Housing Development



Housing Development in Detail

Description	Number Produced					Number Preserved				
	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-June	FY08 YTD July – June	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-June	FY08 YTD July – June
Workforce Housing Units	112 ¹	85	149	4	350	--	--	--		--
Employer Assisted Housing Units	n/a ²	n/a ²	n/a ²	2	2 ²	--	--	--		--
Special Needs Rental Units	22	19	321	94	456	n/a	3	--		3
Other Needs ownership Units	0	0	23	0	23	--	--	--		--
Other Low-Mod Housing Rental Units	n/a	733	731	246	1,710	n/a	38	--	18	56
Other Low-Mod Housing Ownership Units	27	76	70	10	183	--	--	--		--

¹Four additional Local Initiative projects were approved during this quarter on which the market-rate units were being sold at workforce prices (under \$300,000).

² At least one other initiative (beyond the existing Cape Cod and Springfield initiatives) will be announced in July 2008.

Housing Development



Key Points of Note this Quarter

- The Governor unveiled a \$20 million Neighborhood Stabilization acquisition loan fund. This fund, supplied by private lenders with key state backing, will help non-profits and for-profit developers acquire vacant foreclosed properties and bring them back to stable ownership or rental condition. The goal is to keep neighborhoods with high foreclosure rates livable and prevent massive devaluation of homes and departure of residents.
- Through two annual funding competitions for rental development, the Department of Housing and Community Development provides low-income housing tax credits, HOME funds, and state bond funds from six programs to support the development or preservation of rental housing with affordable components. The first rental funding competition of 2008 began on March 20, when DHCD received 88 applications for various resources, including 53 applications for the low-income housing tax credit (9% credit). The demand for resources significantly exceeds the funding available. The funding applications have been reviewed, and awards will be released at the end of July 2008.

Public Housing



Public housing provides a safe, secure home for more than 100,000 of the Commonwealth's residents. Residents pay 30% of their income for rent; the government makes up the difference between rent collected and the cost of operating the housing. Public housing is administered through 242 local housing authorities (LHAs) whose knowledge of and relationship to their local communities assures that the resource is used in a locally-appropriate way.

In Massachusetts, not only do our LHAs administer federally-supported public housing, they provide 50,000 units of state-supported housing - Massachusetts is one of only four states in the nation to have its own public housing. Much of this housing is in a state of extreme disrepair due to past investment decisions. We have launched a serious effort to bring all the units back to a sustainable, maintainable level through direct capital investments and management initiatives.

Public Housing



Public Housing By the Numbers

Description	Family					Elderly				
	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-Jun	FY08 Jul-Jun	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-Jun	FY08 Jul-Jun
Public Housing Units Under Restoration*	1,289	773	481	650	3,547	1,759	1,761	1,531	1,910	7,977
LHA Initiative Projects Underway*	11	15	14	32	92	16	10	27	47	128

*The number of units under restoration varies per quarter as the type and location of projects varies. The LHA Initiative projects will increase as DHCD announces and publicizes new initiatives. Part of the overall increase is due to the Governor's steadfastness in raising the bond cap for public housing.

Public Housing Units Under Restoration: The total number of units in the developments where construction work is actually underway.

Local Initiative Projects: The number of construction funded under special initiatives for local housing authorities.

Public Housing



Public Housing By the Numbers

Description	Local Housing Authorities				
	FY08 Q1 July-Sept	FY08 Q2 Oct-Dec	FY08 Q3 Jan-Mar	FY08 Q4 Apr-Jun	FY08 Jul-Jun
Bureau of Housing Development & Construction*	44	45	28	54	245
Bureau of Housing Management	46	39	10	120	295

*This number represents the total number of Requests for Services produced in response to local housing authorities' procurement request.

Public Housing



Key Points of Note this Quarter

- DHCD was able to play a lead role in the MassNAHRO Annual Conference of more than 450 housing officials from across the state. Staff from the Division of Public Housing and Rental Assistance served as panelists, led discussions and the new “DHCD technical assistance drop in center” was extremely well received throughout the entire conference, drawing huge crowds and facilitating efficient collaboration to solve on-the-ground challenges. The Division also received an award from NAHRO for “Making a Difference – In Pursuit of Excellence.”
- DHCD negotiated a MOU with the Fall River Housing Authority and the City of Fall River on the redevelopment of the FRHA’s Watuppa 100 unit family housing development, ending years of stalemate.
- DHCD’s inspection component, the Bureau of Housing Management, recently entered into an agreement of understanding with the Department of Mental Health in an effort to better coordinate various regulatory and licensing procedures with regard to the c.689 program. This enhanced communication insures that DHCD site visits coincide with DMH’s annual licensure inspections being conducted for vendor contracts. These joint inspections, along with LHA staff participation, ensure that both State agencies and the LHAs share information and results as well as appropriate corrective action suggestions. It is DHCD’s hope that this process will foster enhanced communication more generally among all parties involved.

Rental Assistance



Rental subsidies provide a flexible way to meet the housing needs of low income families and individuals. A housing voucher allows its recipient to find suitable housing in the private market—the government pays the portion of the rent the family/individual cannot afford. We administer these vouchers through a combination of regional non profit housing agencies and local housing authorities.

At DHCD, we monitor housing conditions, rent obligations and leasing rates as well as providing the funding (sometimes as a conduit for federal funding, sometimes through the state budget) for the vouchers. While the vouchers for the most part allow holders to find their own housing, a portion of vouchers are “project-based”, meaning we commit the stream of voucher payments to a property owner that then designates specific units as permanently reserved for people who are eligible for the vouchers.

Rental Assistance



Public Housing By the Numbers

Description	Total Vouchers Leased As of 3/31/2008	Total Vouchers Allocated	Percent of Total Vouchers Allocated as of 3/31/2008	Total Vouchers Leased As of 6/30/08	Total Vouchers Allocated	Percent of Total Vouchers Allocated as of 6/30/08
Alternative Housing Voucher Program (AHVP)	510 ¹	\$3.5m ¹	124% ¹	496	\$3.5m ²	120% ²
Mass Rental Voucher Program (MRVP) - Mobile	1,596 ³	9.6m	100.04% ⁴	1,637 ⁵	9.6m	100.04% ⁴
MRVP – Project-Based	2,972 ³	20.3m	100%	2,947 ⁵	20.3m	100%
Section 8 Housing Choice Voucher Program - Mobile	18,600	18,620	99%	19,045	18,996 ⁶	100%
Section 8 – Project-Based	747	*	n/a	761	n/a ⁷	n/a ⁷

¹ AHVP has been in a voucher freeze since April 2007, with 506 leased vouchers. At the current average SubPum of \$709 over the first nine (9) months of FY 08, the program could annually support up to 411 Vouchers. Comparing this number of "Total Vouchers Allocated" to the 510 currently leased yields a % leased as of 3-31-08 at 124%. Overall, the FY appropriation, \$3.5M for both FY2007 and FY2008, is a more accurate measure of the program.

² AHVP has been in a voucher freeze since April 2007. At the current average SubPum of \$705 over the entire 12 (12) months of FY 08, the program could annually support up to 414 Vouchers. Comparing the expenditure of resources to date to a corresponding pro-ration of the \$3.5 million appropriation yields a % utilized as of 6-30-08 at 120%. Overall, the FY appropriation, \$3.5M for both FY2007 and FY2008 is a more accurate measure of the program.

³As of 3/1/2008.

⁴Program vouchers were overcommitted in relation to funds available creating a small deficit at FY08 year end.

⁵As of 6/1/2008.

⁶HUD measures HCVP leasing success on "unit month" (UM) utilization each CY. Each month one unit is leased equals "one UM". DHCD had 226,138 UMs in CY 2007. In order to be eligible for full funding in CY 2008, a HA must lease all its UMs by the end of the 2007. At different points-in-time during the CY, UM usage will fluctuate because of the many rental market variables that affect a successful housing search by an eligible voucher recipient. It is the final total of UM usage at the end of the CY that is the measure of success. For CY 2007, DHCD leased all but 143 UMs, resulting in 100% leasing success!

⁷Congress does not make specific PBV allocation. DHCD allocates up to 200 vouchers annually from its HCVP portfolio for "development" projects and also accepts PBV applications for "existing" (ready to occupy) housing for a narrow window each year. The total leased includes vouchers currently under contract.

Rental Assistance



Key Points of Note this Quarter

- DHCD's Veterans Affairs Supported Housing (VASH) program is up and running! As reported in last quarter's report card, DHCD was invited by HUD to partner with the Bedford VA Medical Center to administer 75 VASH Section 8 Housing Choice Vouchers targeted to chronically homeless veterans with substance abuse and/or mental health issues. Participants receive clinical and case management services through the Bedford VAMC both before and after they move into rental housing. The voucher makes it possible for the veteran to afford rental housing in a community of their choice. The on-going program of therapeutic and case management services are designed to assure that the veteran has a successful tenancy. To date, we have processed 7 referrals from the Bedford VAMC. We have established a team of DHCD VASH staff from our Section 8 regional administering agencies and developed a very solid working relationship with the Bedford VAMC VASH case management staff.
- Due to a renewed commitment to generating in-depth and precise information on leasing numbers, DHCD has, for the first time in over five years, utilized *all* funds appropriated for *all* state rental assistance programs, establishing a solid foundation for the expansion and proper administration the MRVP program in years to come.
- DHCD has identified 6 LHAs that had the greatest underutilization of Section 8 vouchers in 2007 and initiated conversations in order to better assist them in achieving the full utilization of their Section 8 voucher stock in 2008.

DEPARTMENT OF CONSUMER AFFAIRS AND BUSINESS REGULATION



Dan Crane, Undersecretary

The mission of the Massachusetts Office of Consumer Affairs and Business Regulation (OCABR) is to empower Massachusetts consumers through education and outreach and maintain a fair and competitive marketplace.

Contact Info

Ten Park Plaza,
Suite 5170
Boston, MA 02116
(617) 973-8700
dan.crane@state.ma.us



Division of Insurance



Division of Insurance

CY 12/07

Qtr - 6/30/08

CY 6/08 to Date

- Resolve all new product applications within 60 days of complete submission

91%

94%

92%

Review Cycle Time	Property Casualty		Life and Annuity		Accident and Sickness		Combined Average
	# of Fillings	% of Total	# of Fillings	% of Total	# of Fillings	% of Total	%of Total
<= 60 Days	1098	95%	814	93%	110	89%	94%
> 60 Days	56	5%	65	7%	14	11%	6%

Key Regulatory and Enforcement Actions:

On May 8, 2008, the Insurance Commissioner denied the Massachusetts Property Insurance Underwriting Association's (FAIR Plan) request for a 25% increase in coastal homeowners' insurance rates and an overall statewide increase of 13.2%. The Commissioner's decision prevented hikes in homeowners' insurance premiums for FAIR Plan policyholders across the state.

On May 22, 2008, the Commissioner approved the acquisition of Commerce Insurance Company by Spanish insurance company Mapfre, S.A. The Commerce Group, headquartered in Webster, Massachusetts, is the largest writer of property and casualty insurance in the Commonwealth.

Division of Insurance



Key Points of Note this Quarter

- On April 1, 2008, the first rate filings under managed competition went into effect. All companies filed for significant rate decreases for the best drivers in the Commonwealth.
- As a result of managed competition, on May 1, 2008, Progressive Direct Insurance Company began offering policies in the Commonwealth. Progressive is the third largest writer of private passenger automobile insurance in the country and is the first new entrant to the Massachusetts private passenger automobile insurance market in over thirty years.

Division of Banks



Division of Banks

Edit and issue completed reports of examination of financial institutions within 30 days of submission to Division.

CY 12/07

60%

Qtr - 6/30/08

60%

CY 6/08 to Date

64%

Key Regulatory and Enforcement Actions:

During the 2nd quarter of 2008, the Division of Banks issued 12 enforcement actions against licensed mortgage lenders and brokers and another 2 actions against banks, credit unions, or other non-bank licensees.

Division of Banks



Key Points of Note this Quarter

- On April 3rd, the Division of Banks awarded grants totaling \$2 million to support 11 regional foreclosure education centers, statewide foreclosure prevention efforts and first-time homebuyer programs. The grants are funded through licensing fees collected from mortgage loan originators.
- On May 1st, the new 90-Day Right to Cure requirement went into effect for all delinquent mortgage borrowers. and the Division launched an online database for all 90 Day Right to Cure, foreclosure petition, and final foreclosure sale information.
- On May 6th, the Division held a public hearing on proposed new regulations governing the licensing and supervision of mortgage loan originators, a new mandate under Chapter 206 and the regulations became final on May 30th. Through June 30th, over 6,300 individuals applied for a mortgage loan originator license.

Division of Banks



Key Points of Note this Quarter (continued)

- On June 25th, the Division released for public comment the proposed Community Investment for Mortgage Lenders regulations. This first in the nation law requires the Division to evaluate certain licensed mortgage lenders in Massachusetts for their efforts in meeting the mortgage credit needs in the Commonwealth. The regulations also included a proposed provision to consider a mortgage lender's efforts to modify loans for delinquent borrowers as called for by Governor Patrick on May 30th.

Division of Standards



Division of Standards	CY 12/07	Qtr - 6/30/08	CY 6/08 to Date
Resolve all consumer complaints within 5 days of receipt.	84%	88%	90%

Key Regulatory and Enforcement Actions:

During the quarter, nine stop work orders were issued to unregistered auto damage repair shops. Twenty-three citations were issued for various weights and measures violations resulting in fines of \$6,290.

Key Points of Note this Quarter:

The Division completed the annual octane survey in May testing 224 octane samples in 82 retail locations throughout the state. On May 21st a media event was held to announce the results of the survey which included spot checks designed to ensure pricing accuracy and octane authenticity.

The Division conducted training at the Eastern Mass Weights and Measures Association's spring meeting to address motor fuel issues including pump & octane labeling, pump price signs and street sign advertising.

Division of Professional Licensure



Division of Professional Licensure

Conduct inspections of all locations applying for new business licenses within 10 days of receipt of the complete application.

CY 12/07

94%

CY 6/08 to Date

94%

Conduct inspections at 4500 licensed businesses each fiscal year.

112%

72%

Key Regulatory and Enforcement Actions:

The Office of Investigation inspected 86 cosmetology salons and barber shops across Cape Cod to ensure consumer safety prior to the onset of the summer season.

Key Points of Note this Quarter:

The Student Career Outreach Program conducted events at high schools in Everett, Quincy, Malden, Greater Lawrence, Boston, Revere and Salem to provide information about licensed professional careers

The Massage Therapy Board licensed over 6,000 individuals that qualified for grandfathering licensure.

State Racing Commission



State Racing Commission

Hear all appeals for ejection notices within 10 business days of receiving an appeal.

CY 12/07

100%

CY 6/08 to Date

100%

Hold all other hearings within 20 days of receiving an appeal.

100%

100%

Key Points of Note this Quarter:

During the quarter, the Commission conducted five ejections from the racing tracks and had thirty-seven total rulings by track stewards. Also, there were four drug positive incidents involving substances that may have therapeutic use in horses, but are not permitted to be present on race days.

Department of Telecommunications and Cable



Department of Communications & Cable CY 12/07 Qtr - 6/30/08 CY 6/08 to Date

Respond to consumer slamming complaints within ten (10) calendar days of receipt of filing.

96%

100%

97%

Key Regulatory and Enforcement Actions:

The Department investigated 1,705 consumer complaints resulting in refunds of \$17,219 to Telecommunications and Cable consumers and \$29,777 to Electric, Gas, and Water consumers. The Department also handled 1562 consumer inquiries and 8247 consumer referrals to utilities. During the quarter, several regulatory cases were resolved including two consumer telecom slamming cases, a request by a telecom company to operate in Massachusetts and service quality in the town of Middlefield.

Key Points of Note this Quarter:

Met with seniors to discuss the Digital TV Transition in the towns of Easton, Newton and Barnstable and reached out to the communities of Amherst and Woods Hole at town hall type forums on the topic of broadband.

Worked with the Executive Office of Public Safety to ensure that proposed legislation for management of the state's emergency calling system (E911) adequately protects consumers of telecom and cable services

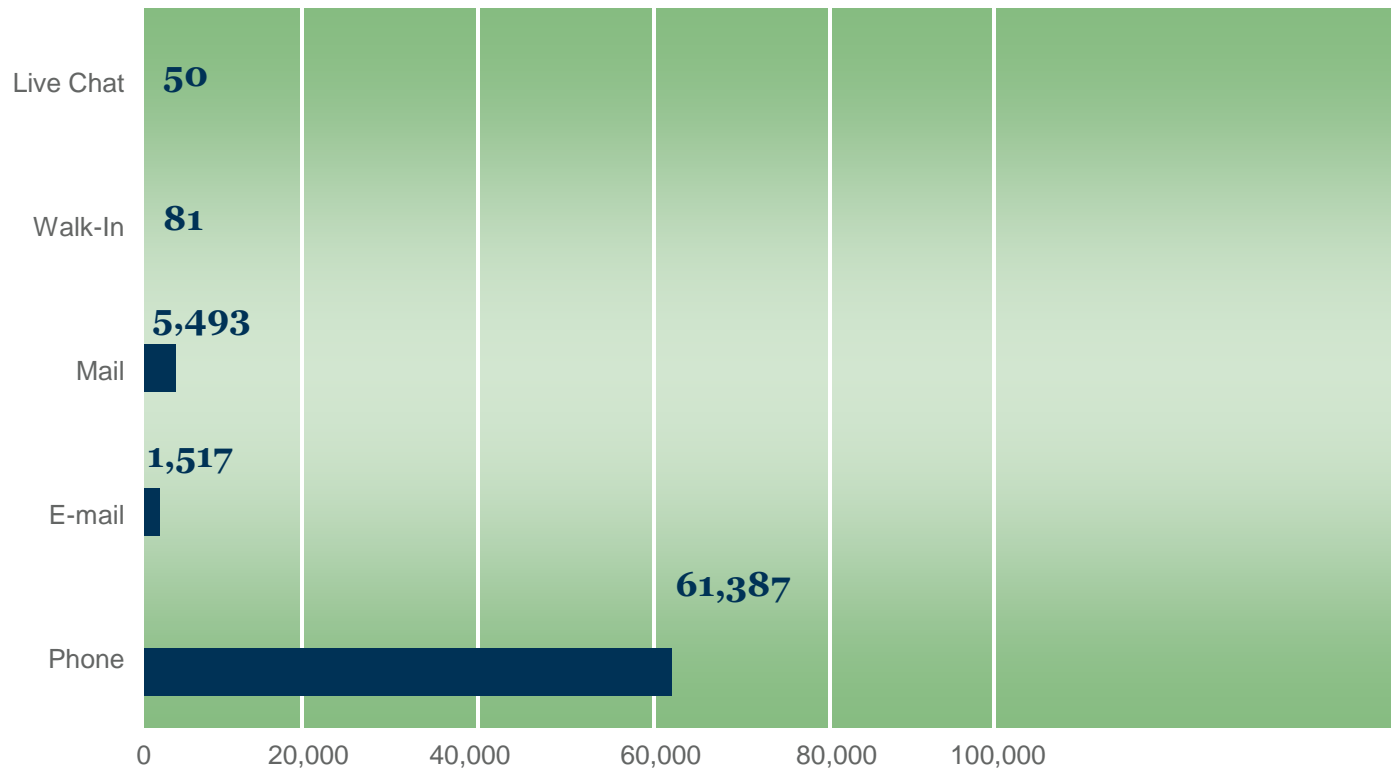
Consumer Hot Line Services



Office of Consumer Affairs & Business Regulation

Report Card

January – June 2008



OCA Consumer Dispute Resolution Services



OCA has established goals for the time it takes to process Home Improvement and Lemon Law claims and will measure what percentage is completed within the goal.

Home Improvement

Schedule all hearings within 90 days of acceptance of the application.

CY 12/07	Qtr - 6/30/08	CY 6/08 to Date
82%	96%	87%

Lemon Law

Schedule all arbitration hearings within 35 days of acceptance of application.

CY 12/07	Qtr - 6/30/08	CY 6/08 to Date
98%	100%	100%

Office of Consumer Affairs



Key Regulatory and Enforcement Actions:

The Office of Consumer Affairs collected and reviewed comments following the hearing on data security provisions of Chapter 82 of the Acts of 2007 “An Act Relative to Security Freezes and Notification of Data Breaches”, enacted to protect consumers from identity theft. The analysis of comments will be considered prior to the promulgation of final regulations.

Outreach and Education



Bi-Monthly Consumer Newsletter

Each quarter, increase the electronic distribution of the bi-monthly consumer newsletter:

The issue published in June, 2008 was distributed electronically to 2,070 subscribers. This represents a 70% increase compared to the first publication in June 2007.

Outreach Events

At least three events each quarter, including at least one event outside of Route 128 (*):

April 2, 2008	Massachusetts Consumer Coalition Meeting, Boston
April 28, 2008	Everett Board of Alderman, Presentation on Foreclosure, Everett
April 29, 2008	HiFi at Framingham State College *
May 6, 2008	HiFi at Springfield Technical Community College *
May 7, 2008	Western Massachusetts Foreclosure Prevention Center, Springfield *
May 12, 2008	HiFi at Federal Reserve Bank, Boston
June 7, 2008	Homeowner Foreclosure Prevention Workshop, Springfield *
June 11, 2008	Quincy Community Action Programs, Foreclosure Forum, Quincy
June 11, 2008	HiFi at Massasoit Conference Center, Brockton *
June 21, 2008	Homeowner Foreclosure Prevention Workshop, Brockton *
June 30, 2008	New Bedford Foreclosure Summit *